

65 JACKSON DRIVE, P.O. BOX 1191, CRANFORD, NEW JERSEY 07016-1191
TEL: (908) 272-0088 FAX: (908) 272-5969

December 15, 1993

Michelle Harris, Esq.
Department of Development
City of Newark
920 Broad Street
Newark, New Jersey 07102

Re: Partial Sites C & E Closing and Site C Purchase Price Calculation

Dear Ms. Harris:

I thank you for your fax of December 13, 1993 which detailed the Blocks and Lots the City will include in its next deed to us for Sites C and E. I note that Marshall Cooper has indicated that he expects closings on the last lots to be acquired in Block 409 on December 17, 1993. Your list includes all lots in Block 409. Therefore, I expect we will have our next closing after December 17, 1993. Note that I will be out of town on December 20, 21 and 22, 1993. I can close any time thereafter.

Attached is a copy of the calculation of the square footage and purchase prices for Sites C and E (with the related back-up documents). It was created, after the two sites were re-configured, in anticipation of our November 10, 1992 partial closing on Site E. As you are aware at that closing we paid for all of Site E. In the deed you will be delivering to us shortly, you will be conveying the balance of the lands comprising Site E with the exception of Block 407, Lots 1, 2, 3, 16, 18, 20, 21 and 22. These will be conveyed at a later date, after the City acquires title to the balance of same.

I am also enclosing a copy of our November 10, 1992 Site E Closing Statement (which incorporates much of the first of the above referenced attachments).

Based on the attached materials, I suggest that at the next closing we will pay for all of Site C with the exception of Block 408. I calculate the numbers as set forth on the next page:

EXHIBIT A

KHOV044986

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Site C total Square Feet = 253,266

x \$.9464 per Square Foot = \$239,690.94

BREAKDOWN OF CURRENT AND FUTURE MONIES TO BE PAID

FUTURE CLOSING CONSIDERATION

Block 408 Square Feet = 70,153
27,945
98,098 Square Feet

x \$.9464 per Square Foot =
total price for Block 408 of \$92,839.95

CURRENT CLOSING CONSIDERATION

Block 403 Square Feet = 26,850

Block 409 Square Feet = 85,997
(except Lots 7, 11 & 12)

Wilsey Street between
North side of School and
South side of Warren = 12,121

Newark Street between
North side of Academy and
South side of Warren = 30,200

155,168 Square Feet

x \$.9464 per Square Foot =
total price for 12/93 Closing of \$146,857.00

Gross Purchase Price for Site C
(with streets, without out parcels
and other credits)

\$239,690.95

Mark Vanselous of our office will be meeting with Marshall Cooper later today to discuss the credits we are entitled to for demolition work to date. When that figure is known (and it is expected to meet and possibly exceed the above computed consideration) we can then complete the attached proposed Closing Statement.

KHOV044987

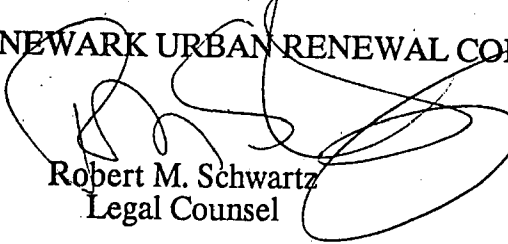
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I have forwarded your December 13, 1993 fax to our title company. Because of the County Register of Deeds delay in indexing recorded documents, undoubtedly the title company will be asking for copies of deeds, etc. to evidence clear title on lots the City closed on recently. No doubt, this will include the lot(s) Marshall expects to close on December 17, 1993.

Before the week is out, please send me a draft copy of the closing documents (Deed, Resolutions, Affidavit of Title, etc.) you will deliver to me at the closing.

Very truly yours,

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.


Robert M. Schwartz
Legal Counsel

RMS/glk

cc: Site C 12/93 Closing File
Mike Kehoe, Eastern Title (w/o encl.)
Marshall Cooper (w/ encl.)

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